



County of Los Angeles  
**CHIEF ADMINISTRATIVE OFFICE**

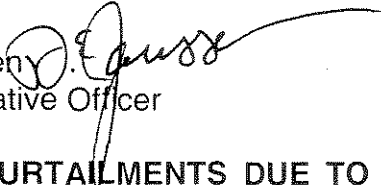
713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012  
(213) 974-1101  
<http://cao.co.la.ca.us>

**REVISED 12/15/03**

DAVID E. JANSSEN  
Chief Administrative Officer

December 12, 2003

Board of Supervisors  
GLORIA MOLINA  
First District  
  
YVONNE BRATHWAITE BURKE  
Second District  
  
ZEV YAROSLAVSKY  
Third District  
  
DON KNABE  
Fourth District  
  
MICHAEL D. ANTONOVICH  
Fifth District

To: All Department Heads  
  
From: David E. Janssen   
Chief Administrative Officer

**IMPACT OF POTENTIAL CURTAILMENTS DUE TO STATE'S RESCISSION OF THE  
VEHICLE LICENSE FEE INCREASE**

On November 17, 2003, Governor Arnold Schwarzenegger signed an Executive Order rescinding the Vehicle License Fee (VLF) increase and directed the Department of Motor Vehicles to refund "overpayments" to taxpayers. This action resulted in the immediate reduction of revenues to cities and counties. Although the Governor has stated that cities and counties will not be impacted by this decision, to date no plan has emerged as to how the backfill will be provided.

As a result of the State rescinding the VLF increase, Los Angeles County could lose an additional \$575 million in revenue this fiscal year and approximately \$760 million in next fiscal year of which \$286 million is associated with VLF realignment. If loss of this revenue is not mitigated, it will require the elimination of many critical County programs.

The immediacy of these shortfalls requires that we take swift action. We have therefore targeted the January 13, 2004 agenda as the date to present the Board with a plan that would mitigate the shortfall in this and next fiscal year. The amounts shown in Attachment I represent the annual savings that will be achieved once the curtailments are fully implemented. However, we anticipate departments being able to implement these cuts on or before May 1<sup>st</sup> of this Fiscal Year to partially offset the anticipated \$575 million shortfall, with the balance coming from one-time reserves. **The amounts shown in Attachment A provide the FY 2003-04 impact of the VLF shortfall by department.**

In order to better ascertain the potential programmatic impact, I am requesting that you identify, by priority, the curtailments that would be necessary to achieve the target reduction as indicated on Attachment I which reflects an approximate 61 percent reduction in flexible costs. The priority order should start with the program or other reduction that you are most likely to cut. Please report this information, electronically, to your budget analyst no later than the close of business on **Wednesday, January 7, 2004.**

All Department Heads  
December 12, 2003  
Page 2

Please be aware that your department may have additional impacts as a result of reductions taken by other County departments. This may occur where a department reduces a program that is performed jointly by several departments, or where the program curtailed receives services from a central services department such as the Internal Services Department. Therefore, we request that you please notify other departments impacted where you are eliminating programs that are performed jointly, or eliminating programs that will result in a reduction in service required.

In addition, my staff will be contacting departments who are not included on the **Attachments A and I** list because their operations are considered non-discretionary, to see if reductions can be made to programs that are mandatory but have discretionary service levels.

To facilitate this process, the following will be provided electronically to your budget staff by your CAO Analyst:

- Attachment I - The list of targeted net County cost reduction by department
- Attachment II - The 2003-04 Final Adopted Budget Chart
- Attachments III, IV and V - The Departmental Summary of the Curtailments. This format is to be used to report the required data. Please adhere to the format, and complete all sections. Instructions as well as a sample form are provided for your reference.

If you have any questions regarding the information requested, please have your staff contact your CAO analyst.

DEJ:DIL  
JW:VC:vyg

Attachments

c: Each Supervisor

## FY 2003-04 DEPARTMENT CURTAILMENT TARGETS

## ATTACHMENT A

## VLF - REGULAR

2003-04

## Flexible Costs:

Curtailment

## Public Protection:

Community Based Contracts	\$ 811,000
Coroner	7,600,000
District Attorney - Criminal	26,770,000
Emergency Preparedness	1,728,000
Fire - Lifeguards	7,575,000
Office of Public Safety	4,198,000
Probation Camps/Support Services	40,249,000
Sheriff	117,124,000
<b>Total Public Protection</b>	<b>\$ 206,055,000</b>

## All Other Costs:

Administrative Officer	\$ 7,800,000
Affirmative Action Compliance	1,059,000
Agricultural Commissioner/Weights & Measures	2,141,000
Animal Care & Control	2,737,000
Arts Commission	1,605,000
Auditor-Controller	6,375,000
Beaches and Harbors	1,760,000
Board of Supervisors	9,195,000
Chief Information Officer	1,478,000
Community and Senior Services	2,564,000
Consumer Affairs	919,000
County Counsel	1,492,000
Extraordinary Maintenance	702,000
Human Relations Commission	884,000
Human Resources	3,390,000
Internal Services	1,506,000
Military and Veterans Affairs	469,000
Ombudsman	328,000
Parks & Recreation	25,161,000
Performing Arts Center	5,016,000
PFU-Parks & Recreation	243,000
Project and Facility Development	1,924,000
Public Library (NDSA)	9,400,000
Public Works	1,254,000
Regional Planning	3,473,000
Reg-Record/County Clerk	9,073,000
Rent Expense	2,209,000
Treasurer and Tax Collector	8,101,000
<b>Total All Other Costs</b>	<b>\$ 112,258,000</b>

## TOTAL FLEXIBLE COSTS - VLF REGULAR

\$ 318,313,000

## VLF REALIGNMENT

Health Services	\$ 206,749,000
Mental Health	43,435,000
Public Social Services	7,279,000
<b>TOTAL VLF REALIGNMENT</b>	<b>\$ 257,463,000</b>

## TOTAL VLF REGULAR AND REALIGNMENT CURTAILMENT

\$ 575,776,000

## FY 2004-05 DEPARTMENT CURTAILMENT TARGETS

## VLF - REGULAR

## Flexible Costs:

Curtailment

## Public Protection:

Community Based Contracts	\$ 1,208,000
Coroner	11,320,000
District Attorney - Criminal	39,872,000
Emergency Preparedness	2,573,000
Fire - Lifeguards	11,282,000
Office of Public Safety	6,252,000
Probation Camps/Support Services	59,948,000
Sheriff	174,449,000
<b>Total Public Protection</b>	<b>\$ 306,904,000</b>

## All Other Costs:

Administrative Officer	\$ 11,618,000
Affirmative Action Compliance	1,578,000
Agricultural Commissioner/Weights & Measures	3,189,000
Animal Care & Control	4,077,000
Arts Commission	2,390,000
Auditor-Controller	9,495,000
Beaches and Harbors	2,621,000
Board of Supervisors	13,696,000
Chief Information Officer	2,202,000
Community and Senior Services	3,819,000
Consumer Affairs	1,369,000
County Counsel	2,222,000
Extraordinary Maintenance	1,046,000
Human Relations Commission	1,316,000
Human Resources	5,049,000
Internal Services	2,243,000
Military and Veterans Affairs	699,000
Ombudsman	488,000
Parks & Recreation	37,476,000
Performing Arts Center	7,471,000
PFU-Parks & Recreation	362,000
Project and Facility Development	2,865,000
Public Library (NDSA)	14,000,000
Public Works	1,867,000
Regional Planning	5,173,000
Reg-Record/County Clerk	13,513,000
Rent Expense	3,290,000
Treasurer and Tax Collector	12,066,000
<b>Total All Other Costs</b>	<b>\$ 167,200,000</b>

## TOTAL FLEXIBLE COSTS - VLF REGULAR

\$ 474,104,000

## VLF REALIGNMENT

Health Services	\$ 229,590,000
Mental Health	48,231,000
Public Social Services	8,075,000
<b>TOTAL VLF REALIGNMENT</b>	<b>\$ 285,896,000</b>

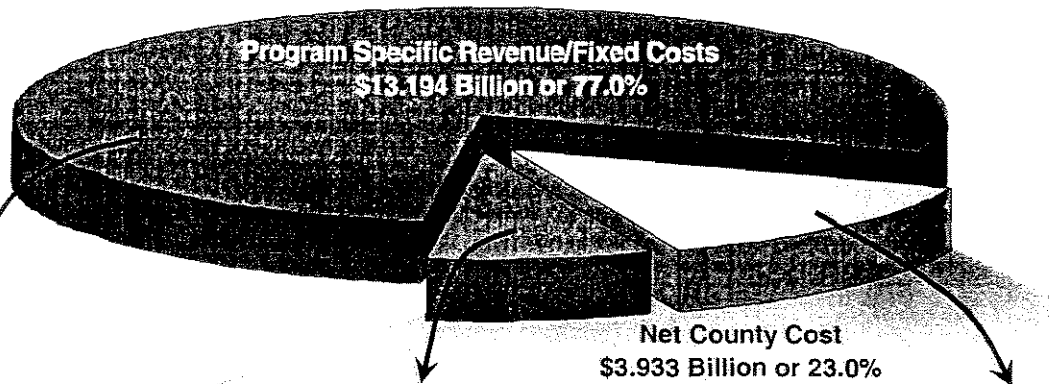
## TOTAL VLF REGULAR AND REALIGNMENT CURTAILMENT

\$ 760,000,000

# Los Angeles County 2003-04 Final Adopted Budget \$17.127 Billion\*

ATTACHMENT II

## Mandated vs. Discretionary Costs



Fixed Costs \$13.194 Billion or 77.0%	
(in Millions)	
Debt Service Funds	\$ 43.5
Health/Social Services	\$ 7,452.1
Property Tax Administration	\$ 71.8
Proposition 172 - Public Safety Augmentation Fund	\$ 502.2
Sheriff	\$ 425.4
District Attorney	\$ 76.8
Special Funds/Districts	\$ 3,337.9
Subventions/Revenues That Offset Costs	\$ 1,626.0
Trial Court Funding	\$ 160.7

Flexible Costs \$1.422 Billion or 8.3%	
Public Protection \$515.5 Million or 3.0%	
Community-Based Contracts	\$ 3.3
Coroner	\$ 18.6
District Attorney - Criminal	\$ 65.7
Emergency Preparedness	\$ 4.2
Fire - Lifeguards	\$ 18.6
Information Systems Advisory Body	\$ 0.2
Office of Public Safety	\$ 10.3
Probation - Camps/Support Services	\$ 107.3
Sheriff	\$ 287.3
All Other Costs \$906.5 Million or 5.3%	
Agricultural Commissioner/Weights and Measures	\$ 5.3
Animal Care & Control	\$ 6.7
Approp for Contingencies	\$ 22.5
Capital Projects	\$ 159.5
Consumer Affairs	\$ 2.3
Countywide Services	\$ 20.7
Extraordinary Maintenance	\$ 41.0
General Government	\$ 281.5
Health - Drug Court	\$ 1.8
Health - GF Contribution	\$ 30.0
Health - Others	\$ 1.4
Health - Tobacco	\$ 101.8
Human Relations Commission	\$ 2.2
Ombudsman	\$ 0.8
Other Public Services	\$ 33.6
Parks & Recreation	\$ 61.7
Other Recreation & Cultural	\$ 21.2
Regional Planning	\$ 8.5
Reserves/Designation	\$ 104.0

Nonflexible Costs \$2.511 Billion or 14.7%	
MOE & Mandatory Costs/Services \$2.352 Billion or 13.8%	
Alternate Public Defender	\$ 33.6
Assessor	\$ 69.3
Other Court Related (Indigent Defense \$36.6)	\$ 228.9
District Attorney - Criminal	\$ 58.3
Health/Mental Health	\$ 595.7
Local Agency Formation Commission	\$ 0.3
Probation - Other	\$ 201.0
Public Defender	\$ 125.8
Social Services	\$ 614.1
Sheriff	\$ 425.0
Other Nonflexible Costs \$158.6 Million or 0.9%	
Capital Projects - Seismic Retrofit	\$ 6.6
Grand Jury	\$ 1.3
Judgments & Damages/Insurance	\$ 21.7
Museums Obligation	\$ 29.8
Social Services	\$ 99.2

\* Excludes major interfund transfers of revenue that would artificially inflate the size of the total County budget.

## Departmental Summary of Curtailments

### Instructions

1. Department Name:  
Enter Department Name in the cell to the right of "Department Name" with the underline.
2. Curtailment Description:  
Enter a brief description of the curtailment on the first line below the "Curtailment Description:" header. Potential areas of curtailment are components of your budget and/or specific programs.
3. Dollar amounts and Budgeted Positions
  - a. Enter the Gross Appropriation curtailment as a negative number in the "Gross Appropriation" column.
  - b. Enter the associated Intra Fund Transfer (IFT) curtailment amount as a negative number in the "IFT" column.
  - c. Enter the associated Revenue curtailment amount as a negative number in the "Revenue" column.
  - d. Enter the associated Unavoidable Fixed Costs (NCC) as a negative number in the "Unavoidable Fixed Costs" column.
  - e. Enter the Budget Positions impacted by the curtailment as a negative number under the "Budgeted Positions" column.
4. Curtailment Impact:  
Enter the curtailment impact narrative on the first line below the "Curtailment Impact:" header. Explain the impact of the proposed curtailment on the County, community, services, etc...
5. Impacted State Senate, Assembly and Board of Supervisors District Areas:  
Enter the legislative district areas impacted by the proposed curtailment on the first line below the "Impacted State Senate, Assembly and Board of Supervisors District Areas:" header.
6. Ensure the amount of Curtailment and the number of budgeted positions are included in the sum totals at the bottom of the schedule under the "Total Curtailments".
7. If additional Curtailment Description headers are required, add the necessary rows and headers and ensure the Total Curtailments line includes the additional amounts.
8. Please forward the Departmental Summary of Curtailments schedule to your budget analyst no later than the close of business on January 7, 2004.

# DEPARTMENTAL SUMMARY OF CURTAILMENTS

Attachment IV

Department Name: \_\_\_\_\_

Cut Priority	Gross Appropriation	IFT	Revenue	Net County Cost	Unavoidable Fixed Costs (NCC)	Net County Cost Savings	Budgeted Positions
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1. Curtailment Description:

\$ - \$ - \$ - \$ - \$ - \$ -

Curtailment Impact:

Impacted State Senate, Assembly and Board of Supervisors District Areas:

2. Curtailment Description:

\$ - \$ - \$ - \$ - \$ - \$ - \$ -

Curtailment Impact:

Impacted State Senate, Assembly and Board of Supervisors District Areas:

DEPARTMENTAL SUMMARY OF CURTAILMENTS

Attachment IV

Department Name: \_\_\_\_\_

Cut Priority	Gross Appropriation	IFT	Revenue	Net County Cost	Unavoidable Fixed Costs (NCC)	Net County Cost Savings	Budgeted Positions
-----------------	------------------------	-----	---------	-----------------	----------------------------------	----------------------------	-----------------------

3. Curtailment Description:

\$ - \$ - \$ - \$ - \$ - \$ -

Curtailment Impact:

Impacted State Senate, Assembly and Board of Supervisors District Areas:

4. Curtailment Description:

\$ - \$ - \$ - \$ - \$ - \$ -

Curtailment Impact:

Impacted State Senate, Assembly and Board of Supervisors District Areas:



# DEPARTMENTAL SUMMARY OF CURTAILMENTS

Attachment IV

Department Name: \_\_\_\_\_

Cut Priority	Gross Appropriation	IFT	Revenue	Net County Cost	Unavoidable Fixed Costs (NCC)	Net County Cost Savings	Budgeted Positions
-----------------	------------------------	-----	---------	-----------------	----------------------------------	----------------------------	-----------------------

5. Curtailment Description:

\$ - \$ - \$ - \$ - \$ - \$ -

Curtailment Impact:

Impacted State Senate, Assembly and Board of Supervisors District Areas:

6 Curtailment Description:

\$ - \$ - \$ - \$ - \$ - \$ -

Curtailment Impact:

Impacted State Senate, Assembly and Board of Supervisors District Areas:

# DEPARTMENTAL SUMMARY OF CURTAILMENTS

Attachment IV

Department Name: \_\_\_\_\_

Cut Priority	Gross Appropriation	IFT	Revenue	Net County Cost	Unavoidable Fixed Costs (NCC)	Net County Cost Savings	Budgeted Positions
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7. Curtailment Description:

\$	-	\$	-	\$	-	\$	-
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Curtailment Impact:

Impacted State Senate, Assembly and Board of Supervisors District Areas:

8. Curtailment Description:

\$	-	\$	-	\$	-	\$	-
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Curtailment Impact:

Impacted State Senate, Assembly and Board of Supervisors District Areas:

DEPARTMENTAL SUMMARY OF CURTAILMENTS

Attachment IV

Department Name: \_\_\_\_\_

Cut Priority	Gross Appropriation	IFT	Revenue	Net County Cost	Unavoidable Fixed Costs (NCC)	Net County Cost Savings	Budgeted Positions
-----------------	------------------------	-----	---------	-----------------	----------------------------------	----------------------------	-----------------------

9. Curtailment Description:

\$	-	\$	-	\$	-	\$	-
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Curtailment Impact:

Impacted State Senate, Assembly and Board of Supervisors District Areas:

10. Curtailment Description:

\$	-	\$	-	\$	-	\$	-
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Curtailment Impact:

Impacted State Senate, Assembly and Board of Supervisors District Areas:

# DEPARTMENTAL SUMMARY OF CURTAILMENTS

Attachment IV

Department Name: \_\_\_\_\_

Cut Priority	Gross Appropriation	IFT	Revenue	Net County Cost	Unavoidable Fixed Costs (NCC)	Net County Cost Savings	Budgeted Positions
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11. Curtailment Description:

\$	-	\$	-	\$	-	\$	-
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Curtailment Impact:

Impacted State Senate, Assembly and Board of Supervisors District Areas:

12. Curtailment Description:

\$	-	\$	-	\$	-	\$	-
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Curtailment Impact:

Impacted State Senate, Assembly and Board of Supervisors District Areas:

DEPARTMENTAL SUMMARY OF CURTAILMENTS

Attachment IV

Department Name: \_\_\_\_\_

Cut Priority	Gross Appropriation	IFT	Revenue	Net County Cost	Unavoidable Fixed Costs (NCC)	Net County Cost Savings	Budgeted Positions
Total Curtailments							
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-

DEPARTMENTAL SUMMARY OF CURTAILMENTS

Cut Priority	Gross Appropriation	IFT	Revenue	Net County Cost	Unavoidable Fixed Costs (NCC)	Net County Cost Savings	Budgeted Positions
1.	<u>Curtailment Description:</u> Fixed Assets: Computer Main Frames						
	\$ (250,000)	\$ -	\$ (75,000)	\$ (175,000)	\$ -	\$ (175,000)	0.0

Curtailment Impact:

Fixed Asset purchase reductions will reduce the ability to provide services to unincorporated areas of the County.

Impacted State Senate, Assembly and Board of Supervisors District Areas:

Senate district: 7. Assembly districts: 15, 16, & 23. Board of Supervisors district 1 & 2.

2. Curtailment Description:

Security Action Plan

\$ (100,000)	\$ -	\$ -	\$ (100,000)	\$ -	\$ (100,000)	(12.0)
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Curtailment Impact:

Decreases funding requirements by 20% to provide personnel and equipment to detect, deter and prevent politically motivated violence in the County.

Impacted State Senate, Assembly and Board of Supervisors District Areas:

Senate districts: 1, 2, 3, 4, 5, & 6. Assembly districts: 1 through 30. Board of Supervisors districts: All.

# Examples

Attachment "V"

## DEPARTMENTAL SUMMARY OF CURTAILMENTS

Cut Priority	Gross Appropriation	IFT	Revenue	Net County Cost	Unavoidable Fixed Costs (NCC)	Net County Cost Savings	Budgeted Positions
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3. Curtailment Description:

\$ - \$ - \$ - \$ - \$ - \$ -

Curtailment Impact:

Impacted State Senate, Assembly and Board of Supervisors District Areas:

4. Curtailment Description:

\$ - \$ - \$ - \$ - \$ - \$ -

Curtailment Impact:

Impacted State Senate, Assembly and Board of Supervisors District Areas:

**Examples**  
**DEPARTMENTAL SUMMARY OF CURTAILMENTS**

Cut Priority	Gross Appropriation	IFT	Revenue	Net County Cost	Unavoidable Fixed Costs (NCC)	Net County Cost Savings	Budgeted Positions
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5. Curtailment Description:

\$ - \$ - \$ - \$ - \$ - \$ -

Curtailment Impact:

Impacted State Senate, Assembly and Board of Supervisors District Areas:

6. Curtailment Description:

\$ - \$ - \$ - \$ - \$ - \$ - \$ -

Curtailment Impact:

Impacted State Senate, Assembly and Board of Supervisors District Areas:



# Examples

## DEPARTMENTAL SUMMARY OF CURTAILMENTS

Cut Priority	Gross Appropriation	IFT	Revenue	Net County Cost	Unavoidable Fixed Costs (NCC)	Net County Cost Savings	Budgeted Positions
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7. Curtailment Description:

\$ - \$ - \$ - \$ - \$ - \$ -

Curtailment Impact:

Impacted State Senate, Assembly and Board of Supervisors District Areas:

8. Curtailment Description:

\$ - \$ - \$ - \$ - \$ - \$ -

Curtailment Impact:

Impacted State Senate, Assembly and Board of Supervisors District Areas:

# Examples

## DEPARTMENTAL SUMMARY OF CURTAILMENTS

Cut Priority	Gross Appropriation	IFT	Revenue	Net County Cost	Unavoidable Fixed Costs (NCC)	Net County Cost Savings	Budgeted Positions
-----------------	------------------------	-----	---------	-----------------	----------------------------------	----------------------------	-----------------------

9. Curtailment Description:

\$ - \$ - \$ - \$ - \$ - \$ -

Curtailment Impact:

Impacted State Senate, Assembly and Board of Supervisors District Areas:

10. Curtailment Description:

\$ - \$ - \$ - \$ - \$ - \$ -

Curtailment Impact:

Impacted State Senate, Assembly and Board of Supervisors District Areas:

# Examples

## DEPARTMENTAL SUMMARY OF CURTAILMENTS

Cut Priority	Gross Appropriation	IFT	Revenue	Net County Cost	Unavoidable Fixed Costs (NCC)	Net County Cost Savings	Budgeted Positions
-----------------	------------------------	-----	---------	-----------------	----------------------------------	----------------------------	-----------------------

11. Curtailment Description:

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Curtailment Impact:

Impacted State Senate, Assembly and Board of Supervisors District Areas:

12. Curtailment Description:

\$ - \$ - \$ - \$ - \$ - \$ -

Curtailment Impact:

Impacted State Senate, Assembly and Board of Supervisors District Areas:

# Examples

Attachment #

## DEPARTMENTAL SUMMARY OF CURTAILMENTS

Cut Priority	Gross Appropriation	IFT	Revenue	Net County Cost	Unavoidable Fixed Costs (NCC)	Net County Cost Savings	Budgeted Positions
Total Curtailments							
	\$ (350,000)	\$ -	\$ (75,000)	\$ (275,000)	\$ -	\$ (275,000)	(12.0)